

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6862**

**BILL NUMBER:** SB 402

**NOTE PREPARED:** Apr 8, 2013

**BILL AMENDED:** Apr 8, 2013

**SUBJECT:** Principal Leadership Grant Program.

**FIRST AUTHOR:** Sen. Banks

**FIRST SPONSOR:** Rep. Heaton

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill has the following provisions:

*Principal Leadership Grant Program:* This bill establishes the principal leadership grant program. It establishes the principal leadership fund. It provides that the fund consists of money appropriated by the general assembly and grants, gifts, and donations.

*Contract Renewal:* The bill changes the date, from February 1 to April 1, by which the governing body shall give written notice of renewal or refusal to renew the assistant superintendent's, principal's or assistant principal's contract.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** (Revised) *Principal Leadership Grant Program:* The impact on the State Board of Education and the Department of Education (DOE) relating to administering the program and the State Treasurer's Office relating to investment of money in the Principal Leadership Grant Fund is expected to be met within existing resources.

The impact on state educational institutions would depend on whether institutions establish academic programs which qualify to be paid for with Principal Leadership Grants. If an institution do so and requires additional funding above its regular tuition and fees and state appropriations to provide the academic program, it would have to submit a line item request as part of its budget submission to the legislature.

From about FY 1986 to FY 2009 the legislature appropriated about \$500,000 annually for the Principal Leadership Academy within the Department of Education. Each year about 100 new principals received training.

Additional Information:

(Revised) *Principal Leadership Grant Program*: The bill establishes the Principal Leadership Grant Program to strengthen leadership and management skills of practicing Indiana public school principals. Grants would be awarded to school principals who would use the grant to attend classes at a post secondary educational institution. The State Board of Education, in consultation with the DOE, must adopt rules to administer the grant program. These rules would govern eligibility requirements for school principals, curriculum requirements for the courses to be offered, and an accountability system to measure the effectiveness of a course or program. The bill establishes the Principal Leadership Grant Fund as a nonreverting fund to be administered by the DOE. The State Treasurer would invest the money in the fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** (Revised) *Contract Renewal*: This bill would potentially give school boards more time to evaluate an individual. The impact would depend on whether the board's decision would be different because of the additional two months provided under the bill. School boards are required to inform the individual at least 30 days before the written notice if governing body is considering not renewing the contract.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Board of Education; Department of Education; State Treasurer; State Educational Institutional Institutions.

**Local Agencies Affected:** School boards

**Information Sources:**

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